

Petitioner First Fed Bank, a Washington bank corporation ("First Fed"), for its claims for relief against Respondent Creative Technologies, L.L.C., a Washington limited liability company

- Petitioning Party. First Fed is duly qualified to bring this action, having met all legal 1. prerequisites. First Fed is the holder of all right, title and interest in the Loan Documents (as hereinafter defined) and has a properly perfected security interest in the property that is a subject of the above-captioned action.
- 2. Responding Party. Creative is and was at all times material hereto a Washington limited liability company, transacting business in King County, Washington. Creative is the borrower of the indebtedness and grantor of the collateral at issue herein. Creative is in default under the terms of the Loan Documents.
- 3. Venue and Jurisdiction. Venue and jurisdiction are proper in that Creative transacts business in King County, Washington and the parties contractually agreed to the jurisdiction and

PETITION FOR APPOINTMENT OF GENERAL RECEIVER PURSUANT TO STIPULATE ORDER - 1

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venue of the Superior Court of the State of Washington for King County.

- 4. Loan. First Fed extended a commercial loan ("Loan") to Creative governed by the terms and conditions of a Business Loan Agreement dated as of December 10, 2020 (as amended, restated, or otherwise modified from time to time, the "Loan Agreement"), by and between Creative and First Fed. The Loan is evidenced, in part, by a Promissory Note dated as of December 10, 2020, executed by Creative and payable to the order of First Fed, in the stated principal amount of Twenty-One Million Dollars (\$21,000,000.00) (as amended, restated, or otherwise modified from time to time, the "Note"), plus interest as set forth therein.
- Collateral. The Loan is secured, in part, by substantially all of Creative's assets, including, without limitation, all inventory, equipment, accounts, chattel paper, instruments, letterof-credit rights, letters of credit, documents, deposit accounts, investment property, money, general intangibles, other rights to payment and performance, and all proceeds thereof (collectively, the "Collateral") pursuant to and as more fully described in (i) a Commercial Security Agreement dated as of December 10, 2020, executed by Creative for the benefit of First Fed (as amended, restated or otherwise modified from time to time, the "Security Agreement"), and (ii) a Patent Security Agreement dated as of December 10, 2020, by and between Creative and First Fed (as amended, restated or otherwise modified from time to time, the "IP Security Agreement"). First Fed's security interest in the Collateral has been properly perfected by the filing of a UCC financing statement with the Washington Department of Licensing.
- 6. Loan Documents. The Loan Agreement, Note, Security Agreement, IP Security Agreement, and all other documents, instruments, amendments, modifications, and agreements relating to, and expressly referencing the Loan shall collectively be referred to herein as the "Loan Documents." The Loan Documents entitle First Fed to recover its attorneys' fees, costs, and expenses incurred in enforcing the obligations thereunder, including, without limitation, its attorneys' fees, costs and expenses incurred in protecting and preserving the Collateral until sale, which sums are secured by the Collateral pursuant to the Loan Documents.

7. <u>Defaults</u>. Creative defaulted on its obligations under the Loan Documents on account of various payment and covenant defaults. First Fed provided Creative a period of forbearance in exchange for certain consideration, including, without limitation, a stipulated order appointing Turning Point Strategic Advisors as general receiver over Creative and its assets (the "Stipulated Appointment Order").

8. Receiver. Creative's business and assets constitute First Fed's Collateral. Creative stipulated that appointment of a receiver is necessary given (i) the Collateral and its revenue-producing potential is in danger of being lost, materially injured or impaired, and dissipated; and (ii) the necessity to protect and preserve the Collateral, and to avoid further loss, injury, and impairment thereto. Turning Point Strategic Advisors is qualified to act as a general receiver. Creative expressly stipulated to the appointment of Turning Point Strategic Advisors as receiver over Creative, its business operations (the "Business"), and all of its assets and tangible and intangible real and personal property (together, with the Business, the "Assets"), wherever located and with respect to all products and proceeds thereof, with authority to take exclusive possession and control pursuant to the terms of the Stipulated Appointment Order and RCW 7.60 et seq.

WHEREFORE, First Fed prays for relief as follows:

- A. For entry of the Stipulated Appointment Order appointing Turning Point Strategic Advisors as general receiver over Creative and the Assets, to take possession and control of the Assets, collect all rents, issues, revenue, income and profits therefrom, and otherwise operate and manage the Business and other Assets, with the power of sale; and
 - B. For such other and further relief as the Court deems just and equitable.

 DATED this 14th day of May, 2024.

LANE POWELL PC

By/s/Gregory R. Fox Gregory R. Fox, WSBA No. 30559 James B. Zack, WSBA No. 48122 Attorneys for Petitioner First Fed Bank

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